

responsibility. In its place, the "invisible hand of the market place" presumably would assure a plentiful supply of electricity at fair and reasonable prices. The profit motive, it was assumed, would induce independent generators to foresee the future demand for electricity and build the power plants needed to supply that demand at reduced electric rates—very risky assumptions.

In the context of the California fiasco, Dr. Alfred Kahn, an authority on U.S. business deregulation, recently put the sui generis aspect of electric service in perspective when he referred to the "uniqueness of power markets." The trouble with the theory that free-market competition might, in the long run, deliver cheaper power to customers is, as we have just seen in California, that such markets are inherently volatile and people and businesses require uninterrupted access to electricity.

Even if benefits expected from deregulation are eventually achieved, they may be unevenly distributed and may carry heavy baggage. Independent generators almost certainly will negotiate more favorable contracts with large customers who will have superior bargaining power. The small customer, the ordinary householder, will pay for the discounts granted the large customers.

Independent generating companies will lack incentive to provide energy conservation (let alone finance conservation as some utilities now do); their profits increase as sales increase. Nor can they be expected to invest in community-building organizations and projects now supported by local utilities. Relatively few independent generators may serve a particular market; the fear of politically imposed "price caps" (i.e. re-regulation) may scare others away. If that be the case, price competition may be less than vigorous, and the few independent generators that serve the market may be tempted to increase prices by delaying construction of new plants and by scheduling maintenance outages to stimulate price increases. Further, they will be tempted to build new units that are the least expensive and quickest to build—ignoring the public interest in assuring diversity of technology and fuels. Already in California where virtually all new power plant construction will be gas-fired turbines, there is serious concern that supplies of natural gas will not be sufficient either for these plants or for the rest of California's economy.

It is significant that Los Angeles, whose municipally-owned electric utility was exempted from deregulation, has not been damaged by the deregulation rampage in California. It is of far greater significance that today, U.S. regulated power companies provide overall service whose prices and reliability provide an example envied by the rest of the world.

Decision-makers also should bear in mind the possibility that technology may make unnecessary the drastic deregulation of the type California has found so disastrous. Fuel cells that convert hydrogen to electricity without any pollution, and that can be built in small modules, appear to be close to commercial viability. Small gas turbines are also said to be coming on the market. Solar and wind technology may become attractive for small as well as large applications. These and possibly other new technologies hold promise of giving consumers, large and small, choices of installing their own on-site generation. Without unnecessarily disrupting the traditional organization of the utility industry, self-generation and the competitive threat of self-generation, could

give electric utilities competition that would achieve the benefits claimed for deregulation.

Experience cries out that it would be wise for the nation to pause and ponder all alternatives before further deregulation experiments are undertaken.

INTRODUCTION OF AN ACT TO END GRIDLOCK AT OUR NATION'S CRITICAL AIRPORTS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 7, 2001

Mr. LIPINSKI. Mr. Speaker, recently, there has been much said and written about the possibility of new runways at Chicago's O'Hare International Airport. Some might think new runways are a new idea. They are not.

In fact, in 1991, the Chicago Delay Task Force, which was composed of representatives from Chicago's Department of Aviation, the Federal Aviation Administration (FAA), air traffic control, and airport users, recommended that new runways be added to O'Hare in order to reduce delays and improve efficiency. The final report of the Chicago Delay Task Force reads that new O'Hare runways "represent the greatest opportunity to reduce delays in Chicago, particularly during bad weather conditions." Unfortunately, this recommendation was ignored because the governor at the time was opposed to new runways at O'Hare. (Fortunately, most of the other physical and technical improvements that the Task Force recommended were implemented and, as a result, delays at O'Hare decreased by 40 percent between 1988 and 1998.)

Fast-forward a decade to 2001. Delays are once again on the rise at O'Hare. In fact, according to the FAA, O'Hare was ranked the third most delayed airport in the country in 2000 with slightly more than 6 percent of all flights delayed more than 15 minutes. Once again, a Chicago Delay Task Force has been convened and representatives from the Department of Aviation, The FAA, and the airport users will study O'Hare Airport to determine what can be done to most effectively reduce delays.

No one will be surprised when the Task Force determines—once again—that adding runways are the most effective way to reduce delays. This is a well-known fact. Mitre, NASA, and other technical organizations have reviewed all of the capacity enhancing technologies and procedures that are in development and have concluded that the cumulative effect of implementing all of these technologies would increase capacity only by roughly 5 to 15 percent. In contrast, building new runways at capacity constrained airports increases capacity by 40 to 50 percent. Additional runways—at O'Hare and throughout the nation—are the answer to the congestion problem plaguing our national aviation system.

Additional runways are especially critical at O'Hare Airport. Chicago is, and always has been, the nation's transportation hub. O'Hare is a domestic and international hub that serves not only Chicago passengers but also passengers that pass through Chicago on their

way to destinations across the United States and across the globe. O'Hare is the lynchpin of our national aviation system. Therefore, the congestion and delays that plague O'Hare also plague the rest of our national aviation system. Delays at O'Hare ripple throughout the system, earning O'Hare the undesirable designation as a "chokepoint" in our national aviation system. If O'Hare remains a chokepoint, it threatens the reliability and efficiency of the entire United States aviation system.

The fate of new runways at O'Hare rests with George Ryan, the Governor of Illinois. A small provision tucked away in Illinois law effectively gives the Governor the ability to approve or deny development at O'Hare Airport. Unfortunately, despite Governor Ryan's exemplary record in terms of transportation investment, the Governor is politically hamstrung in what he can do regarding additional runways at O'Hare.

As the U.S. Representative for residents living near Midway Airport, I know that quality-of-life issues in communities surrounding airports are very important. The City of Chicago Department of Aviation has been quick to address these important quality-of-life issues. In fact, the City of Chicago has spent over \$30 million dollars at O'Hare alone on noise mitigation efforts, such as installing a \$4 million state-of-the-art noise monitoring system, constructing a \$3.2 million hush-house on the airfield, and soundproofing 75 schools and 3,934 homes for a total cost of \$309 million. The City of Chicago has been mentioned as a model for the nation for its noise mitigation efforts.

Yet, despite these mitigation efforts, some of the airport's neighbors still seek to constrain the growth of O'Hare. Unfortunately, this group has the attention of their local political leaders in the state legislature as well as the Governor. Governor Ryan has offered to review plans for new runways but local politics, I believe, prevent the Governor from ever seriously considering new runways at O'Hare.

For months, I have been working quietly behind the scenes with all of the major parties involved in moving new runways at O'Hare forward. It is clear that local politics will prevent new runways from being added at O'Hare. Of course, local concerns must be addressed. But, a powerful few cannot continue to derail future development of O'Hare International Airport, the heart and soul of our national aviation system. Therefore, a national solution is needed.

For this reason, I am introducing legislation today that, by preempting certain state laws, will elevate the decision to build new runways at O'Hare to the federal level. O'Hare needs new runways to remain a viable and competitive airport. Nothing is going to change at O'Hare unless the federal government gets involved. The federal government recognizes the importance and necessity of new runways at O'Hare and is ready to act to make them a reality. An Act to End Gridlock at Our Nation's Critical Airports allows the federal government to do just that. I urge my colleagues to support this vital legislation.